

P984238

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**To:** HQ.SAT4(Y2K)  
**Date:** 6/19/98 4:50pm  
**Subject:** Year 2000 Consumer Issues - Comment, FTC File No. P984238

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The comments herein were submitted by various employees of Citibank in response to your request for comments. They do not reflect all areas of Citibank.

Citibank also participates in various Year 2000 forums, groups, and regulatory working groups where our comments and concerns are aired.

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Topics for potential exploration include:

**RISKS FOR OR WITH THE CONSUMER**

1. Payment interruptions from various sources, especially:

- a. employer's salary payments
- b. social security payments
- c. investment proceeds
- d. ATMs, payment systems, etc.

2. Actions by consumers:

- a. consumers decline to make loan payments because they assume the payment systems don't work.
- b. the payment systems we rely on for loan repayments overseas do not work, preventing the consumer from meeting loan obligations.
- c. consumers withdraw deposits from banks because of fear the banking system does not work.

3. There could be significant employee lay-offs - even a recession - because some firms close down or cut back because they are unable to cope with Y2K issues; the result could be increased delinquency and write-offs with customers employed by the affected firms.

4. Problems with

- a) personal computers and other electrical equipment, and
- b) credit bureaus and other financial services.

Some specific topics of concern might be:

- i) look for a spike in Travelers Check sales.....
- ii) Lost mail. U.S. services, UPS, FedEx and the like now use computer/electronic services. Wouldn't you expect there to be domestic glitches there; let alone what will happen for any offshore deposits/mailings.
- iii) heavy cash withdrawals in weeks prior;

iv) increase in claims that there have been lost deposits....

v) increased insurance claims.....major secondary or knockon risk.

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